



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

June 24, 2015

Sent by Email and First Class Mail

Mr. Mark Weatherston
Fuels Manager
San Miguel Electric Cooperative, Inc.
P.O. Box 280
Jourdanton, Texas 78026-0280

RE: San Miguel Electric Coop, Inc.
San Miguel Mine, Permit No. 11G
Final Action Notification, NOV 114A

Dear Mr. Weatherston:

Termination of Notice of Violation (NOV) 114A issued to the San Miguel Mine, Permit No. 11G, was provided by letter dated May 19, 2015. Payment of the fine in the amount of \$4,750 for this NOV was received by letter dated June 16, 2015. No further action is required in association with this NOV.

If you have any questions or need further assistance, please contact me.

Sincerely,

A handwritten signature in black ink that reads "John E. Caudle".

John E. Caudle, Director
Surface Mining and Reclamation Division

JEC/se



1159508 *et*

SAN MIGUEL ELECTRIC COOPERATIVE, INC.

June 16, 2015

Mr. John Caudle, Director
Railroad Commission of Texas
Surface Mining and Reclamation Division
P. O. Box 12967
Austin, Texas 78711-2967

Railroad Commission
of Texas
RECEIVED

JUN 19 2015

**RE: San Miguel Lignite Mine, Permit 11G
Penalty Assessment
Notice of Violation 114A**

Surface Mining Division

Dear Mr. Caudle:

Enclosed please find Check No. GF83567 in the amount of \$4,750.00 for payment of the assessment penalty of Notice of Violation 114A.

If you have any questions, please contact me at (830) 784-3411 x 204.

Sincerely,

Mark Weatherston
Fuels Manager

cc: Derrick Brummett
Reclamation
Lisa Kost
Reader File



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

May 19, 2015

Ms. Elaine Ramsey, Director
Tulsa Field Office
Office of Surface Mining Reclamation and Enforcement
1645 S 101st East Avenue, Suite 145
Tulsa, Oklahoma 74128-4629

RE: San Miguel Mine, Permit No. 11G
Penalty Assessment
Notice of Violation 114A

Dear Ms. Ramsey:

Enclosed are copies of the Assessment Worksheet and the Notice of Proposed Assessment for Notice of Violation 114A, issued on April 13, 2015.

If you have any questions concerning this matter, do not hesitate to call me at (512) 463-6901.

Sincerely,

A handwritten signature in black ink that reads "John E. Caudle".

John E. Caudle, Director
Surface Mining and Reclamation Division

JEC/se
Enclosure



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

May 19, 2015

CERTIFIED RECEIPT
NO. 91 7108 2133 3938 6133 6016

Mr. Mark Weatherston
Fuels Manager
San Miguel Electric Cooperative, Inc.
P.O. Box 280
Jourdanton, Texas 78026-0280
RE: San Miguel Mine, Permit No. 11G
Penalty Assessment
Notice of Violation 114A

Dear Mr. Weatherston:

The Surface Mining and Reclamation Division has completed review of Notice of Violation (NOV) No. 114A. Based on this review and the procedures contained in 16 TAC §§12.687 and 12.688, I have determined that the violation cited occurred and propose a civil penalty in the amount of \$4,750. Enclosed is a copy of the Assessment Worksheet.

The procedures to administer this assessment are described in §§12.691 and 12.692. A request for a review of the proposed assessment amount (assessment conference) must be received within 15 days from the date the assessment was mailed. Section 12.693 provides for a hearing if you contest the fact of the violation. The petition for a hearing together with the amount of the assessment must be received within 30 days from your receipt of the proposed assessment. As described in §12.694 if a hearing is not requested then the proposed assessment shall become a final order of the Commission and the assessed amount shall become due and payable upon expiration of the time allowed to request a hearing.

If you have any questions concerning this matter, do not hesitate to contact me at (512) 463-6901.

Sincerely,

A handwritten signature in black ink that reads "John E. Caudle".

John E. Caudle, Director
Surface Mining and Reclamation Division

JEC/se
Enclosure

ASSESSMENT WORKSHEET

VIOLATION: 114A
COMPANY NAME: San Miguel Electric Cooperative, Inc.
MINE NAME: San Miguel Mine
PERMIT NO: 11G

**1. HISTORY OF PREVIOUS VIOLATIONS: (N.O.V.'S: ONE (1) POINT EACH;
C.O.'S: FIVE (5) POINTS EACH)**

No violations have been issued at this mine during the past twelve months.
Zero (0) points are assessed.

2. SERIOUSNESS:

(A) Probability of occurrence (RANGE: ZERO (0) TO FIFTEEN (15) POINTS)

On April 13, 2015 the operator (SMECI) was cited for the failure to maintain appropriate sediment control measures, allowing sediment to be deposited outside the permit area, a violation of §§12.343 of the Regulations.

The assessment of probability of occurrence refers to the occurrence of the event that the violated regulation was intended to prevent. An event refers to the environmental harm, personal injury or property damage, which the regulation is intended to prevent. In all Notices of Violation, a violation has already occurred; there is no question of probability involved in this regard. The question is whether any damage associated with the violation has occurred or will occur. This question is what is assessed qualitatively under probability of occurrence. Pursuant to §12.691 of the Regulations, the permittee provided written information (dated March 10, 2015) about this violation, which has been considered in this assessment.

When an inspector writes a violation for failure to design, construct and/or maintain temporary sediment control measures using the best technology currently available, the event that the regulation is designed to prevent is water and land pollution through siltation. By letter dated March 10, 2015, SMECI self-reported an off-permit deposition of sediment. During the March 17-18, 2015 mine inspection, the inspector observed the affected area, approximately 1.6 acres in size, located approximately 2400 feet south of the bridge crossing La Parita Creek, north of the main haul road. Based on SMECI's self-reporting letter and observations made by the inspector, the event that the regulation is designed to prevent, in this case land pollution through siltation, did occur. Drop Structure BN-2, located on the north side of the haulroad, receives runoff from the haulroad. The drop structure contains a built-in sump, designed to accumulate sediment as flow passes through. The sump is located approximately 60 feet inside the permit boundary. Due to lack of maintenance (sediment removal) of the sump over time, the sump became full of sediment and allowed flow to pass straight through, leaving the permit. Thus, sediment dropped out off-permit, rather than in the sump, as it was designed to do. Due to the distance from the receiving stream (La Parita Creek), approximately 2400 feet, it is unlikely that sediment would have entered the creek and caused water pollution.

Fifteen (15) points are assessed.

(B) Extent of potential or actual damage (RANGE: ZERO (0) TO FIFTEEN (15) POINTS)

The damage or environmental impact from the sediment deposition was located outside of the permit boundary. Based on the SMECI letter dated March 10, 2015, the off-permit area affected by sedimentation encompassed approximately 1.6 acres. During the March 17-18, 2015 inspection, the inspector estimated the sediment depth at the southeastern end of disturbance, near the haul road, to be approximately 3 feet, then fanning out gradually to the northwest. Clean-up of the area had also been initiated at the time of this inspection. According to site personnel, crews were able to place the entire volume of material removed from the area into one Caterpillar 777 end-dump truck (which can hold up to 78 cy of material) for removal. The inspector stated in the inspection report that the sediment did not appear to contain any Acid Forming Material (AFM) or Toxic Forming Material (TFM). There was also evidence of vegetative species (grass and brush) intermixed with the sediment being removed. The material was hauled to the pit for final disposition.

Twelve (12) points are assessed.

3. NEGLIGENCE: (RANGE: ZERO (0) TO TWENTY-FIVE (25) POINTS)

Negligence is the failure of a permittee to exercise the degree of care normally expected of a careful and reasonable operator. A greater degree of fault than negligence is considered when the permittee's conduct is reckless, knowing, or intentional.

By letter dated March 10, 2015, SMECI self-reported that sediment had left the permit boundary. The off-site sediment deposition occurred due to the sump associated with drop structure No. BN-2 being full of silt. Because the sump was full of sediment and could no longer function properly, additional sediment was allowed to overflow and deposit off permit. While the permittee did have sediment control measures in place, the measures had not been maintained in manner to allow them to function as designed. Based on the volume of material removed and the size of the area affected, the sump had not functioned as designed in quite a while, due to lack of due diligence or reasonable care by the permittee.

Twelve (12) points are assessed.


4. GOOD FAITH: (RANGE: ZERO (0) TO MINUS TEN (-10) POINTS)

Good faith points are added based on the degree of good faith of the permittee in attempting to achieve rapid compliance after notification of the violation. The permittee self-reported the incident by letter dated March 10, 2015. Included with the March 10, 2015 submittal was a letter dated January 7, 2015, acknowledging contact with the landowner concerning the sediment deposition and requesting consent to access the property to initiate remediation operations. During the March 17-18, 2015 inspection, the inspector noted that SMECI was in the process of removing the sediment from the affected area, however, two months passed between SMECI's contact with the landowner (January 7, 2015) and self-reporting the incident to the SMRD (March 10, 2015). Notice of Violation 114A was issued on April 13, 2015.

Zero (0) points are assessed.

TOTAL POINTS: 39

ASSESSMENT: \$4,750.00



Scott Engelmann
Assessment Officer

5-19-2015
Date



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

May 19, 2015

Sent by Email and First Class Mail

Mr. Mark Weatherston
Fuels Manager
San Miguel Electric Cooperative, Inc.
P.O. Box 280
Jourdan, Texas 78026-0280

**RE: San Miguel Mine, Permit No. 11G
Termination of Notice of Violation 114A**

Dear Mr. Weatherston:

Enclosed is a Termination of Notice of Violation 105A, issued April 13, 2015, at the San Miguel Mine.

If you have any questions concerning this information, do not hesitate to contact me at 512.305.8813.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Engelmann", with a long, sweeping horizontal line extending to the right.

Scott Engelmann, Manager
Inspection and Enforcement

SE/sdj

Enclosure

pdfc: Randall Greene, OSMRE – Tulsa Field Office
Jeff Zingo, OSMRE – Tulsa Field Office

**RAILROAD COMMISSION OF TEXAS
SURFACE MINING AND RECLAMATION DIVISION**



Notice of Violation No.
114A

TERMINATION OF NOTICE OF VIOLATION

Company: San Miguel Electrical Cooperative, Inc. County: Atascosa and McMullen
Mine: San Miguel Mine Permit No.: 11G
Mailing Address: P.O. Box 280
Jourdanton TX, 78026

Under the authority of the Texas Surface Coal Mining and Reclamation Act and the Texas Coal Mining Regulations, with respect to Notice of Violation No. 114A dated April 13, 2015, is hereby terminated because:

Via telephone conversation on the morning of May 14, 2015, Nellie Frisbee conveyed that remedial actions (silt removal, re-vegetation with landowner approved seed mix) required by NOV 114A had been completed at the San Miguel Mine. The subject area will continue to be monitored during future inspections to insure re-vegetation success, stability of the area and regular maintenance of Drop Structure No. BN-2.

Based on the information provided by SMECI, Inc, Notice of Violation 114A is hereby terminated.

Dated: May 19, 2015

Signed: _____


(Authorized Representative)



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

May 19, 2015

Sent by Email and First Class Mail

Mr. Mark Weatherson
Fuels Manager
San Miguel Electric Cooperative, Inc.
P.O. Box 280
Jourdanton, Texas 78026-0280

RE: San Miguel Mine, Permit No. 11G
Statement of Inspector's Observations

Dear Mr. Weatherson:

Enclosed is a copy of the Statement of Inspector's Observations for Notice of Violation 114A, issued April 13, 2015, at the San Miguel Mine.

If you have any questions, please contact me at 512.305.8813.

Sincerely,



Scott Engelmann, Manager
Inspection and Enforcement

SE/sdj

Enclosure

pdfc: Randall Greene, OSMRE – Tulsa Field Office
Jeff Zingo, OSMRE – Tulsa Field Office

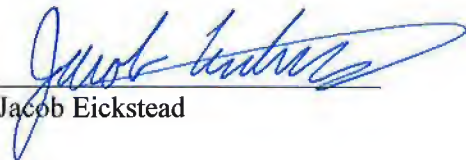
**Statement of Inspector's Observations
Notice of Violation No. 114A
Issued to San Miguel Electrical Cooperative, Inc.
San Miguel Mine, Permit No. 11G**

By letter dated March 10, 2015, SMECI submitted a self-reporting letter in regards to sediment deposited off permit boundary. The letter included a map of the area and permission from the landowner of the property for SMECI to enter and remove the sediment. The landowner letter granting SMECI access to the property was dated January 7, 2015. The difference in time between the letter to the landowner and the letter to the Railroad Commission of Texas (RCT) was explained to me by SMECI personal as a result of conversations between the board of directors, the landowner, and the SMECI personnel. The actions SMECI would need to take to resolve the problem in the affected area were discussed amongst the parties involved during this two month time difference.

On March 17-18, 2015 I inspected the area affected by the off permit sediment deposition. The affected area is located approximately 2400 feet south of the one lane bridge over La Parita Creek and west of the main haul road (photo 1). The sediment deposition occurred due to failure to maintain the sump on the bottom of Drop Structure No. BN-2 (photo 2). A front end loader was removing the remaining sediment from the affected area using an end dump truck to stage the sediment on the haulroad north of La Parita Creek (photo 3 and 4). The sediment appeared to be composed mostly of haulroad fines which had collected in the sump below Drop Structure No. BN-2 and were deposited north of the haulroad when the sump failed due to lack of maintenance (photo 5). The sediment affected an area of approximately 1.6 acres north of the haulroad (photo 6). The vegetation was removed by dozer and stacked on the western side of the affected area (photo 7).

Upon review of the Regulations, Permit No. 11G and discussion with I&E Manager, Notice of Violation 114A was issued to SMECI for failure to maintain appropriate sediment control measures at the sump below Drop Structure No. BN-2. This is a violation of Texas Coal mining Regulations Title 16, Texas Administrative Code §12.343 and section .154 of Permit No. 11G.

During my inspection on April 28-29, 2015, SMECI utilized silt fence and round hay bales to prevent further sediment deposition (photo 8). The round bales were trenched in place to prevent them from moving. The sump below Drop Structure No. BN-2 had been cleaned of debris and sediment. All sediment and vegetation was removed from the affected area (photo 9 and 10). In a follow up email with Nellie Frisbee dated May 7, 2015, all silt has been removed from the area and it was seeded for revegetation.



Jacob Eickstead

May 18, 2015
Date



Photo 1. Affected area located west of the main haul road (view northwest).



Photo 2. Drop Structure No. DN-2 (view southeast).



Photo 3. Front end loader removing sediment from affected area (view southwest).



Photo 4. Equipment being utilized to remove sediment (view southwest).



Photo 5. Excavated sediment removed from off permit affected area (view east).



Photo 6. Approximately 1.6 acres were affected by off permit sediment deposition (view southwest).



Photo 7. Removed vegetation staged west of the affected area (view north).



Photo 8. Silt fence and hay bales being utilized to prevent further sediment deposition (view northwest).



Photo 9. Sediment and vegetation has been removed from affected area (view northeast).



Photo 10. Affected area is now clear of vegetation and sediment (view southwest).



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

April 13, 2015

Sent by Email and First Class Mail

Mr. Mark Weatherston
Fuels Manager
San Miguel Electric Cooperative, Inc.
P.O. Box 280
Jourdanton, Texas 78026-0280

RE: San Miguel A and E Mine, Permit No. 11G
Notice of Violation 114A Modification No. 1

Dear Mr. Weatherston:

Enclosed is a Notice of Violation 114A Modification No. 1, to replace NOV 114A, issued April 13, 2015, at the San Miguel Mine. The Modification of NOV 114A is being issued to correct the date of issuance in the "Time for Abatement" section from "4/10/2015" to "4/13/2015". I apologize for any inconvenience this may have caused.

If you have any questions concerning this information, do not hesitate to contact me at 512.305.8813.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Engelmann", with a long horizontal line extending from the end of the signature.

Scott Engelmann, Manager
Inspection and Enforcement

SE/sdj

Enclosure

pdfc: Randall Greene, OSMRE – Tulsa Field Office
Jeff Zingo, OSMRE – Tulsa Field Office

**RAILROAD COMMISSION OF TEXAS
SURFACE MINING AND RECLAMATION DIVISION**

Modification No.

1



Notice of Violation No.

114A

MODIFICATION OF NOTICE OF VIOLATION

Company: **San Miguel Electric Cooperative, Inc. (SMECI)**

County: **Atascosa and McMullen**

Mine: **San Miguel Mine**

Permit No.: **11G**

Mailing Address: **P.O. Box 280**

Jourdanton, TX, 78026

Under the authority of the Texas Surface Coal Mining and Reclamation Act and the Texas Coal Mining Regulations, with respect to Notice of Violation No. 114A dated **April 13, 2015**, is modified on this date to read as follows:

Description of Violation(s): No Change

Provisions of Regulations, Act, or Permit Violated: No Change

Area of Operation Affected: No Change

Remedial Action Required: No Change

Time for Abatement: 30 days from the date of issuance (4/13/2015) to: a). remove sediment from the affected area, and b). revegetate the area with approved grass species.

The reason(s) for this modification are as follows:

The date of issuance noted in the "Time for Abatement" section of the original Notice of Violation 114A was 4/10/2015, but the NOV was actually issued on 4/13/2015.

Dated: **April 14, 2015**

Signed: _____

(Authorized Representative)



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

April 13, 2015

Sent by Email and First Class Mail

Mr. Mark Weatherston
Fuels Manager
San Miguel Electric Cooperative, Inc.
P.O. Box 280
Jourdanton, Texas 78026-0280

**RE: San Miguel A and E Mine, Permit No. 11G
Notice of Violation 114A**

Dear Mr. Weatherston:

Enclosed is a Notice of Violation 114A, issued April 10, 2015, at the San Miguel Mine.

If you have any questions concerning this information, do not hesitate to contact me at 512.305.8813.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Engelmann", with a long horizontal flourish extending to the right.

Scott Engelmann, Manager
Inspection and Enforcement

SE/sdj

Enclosure

pdfc: Dan Trout, OSMRE – Tulsa Field Office
Alani Taylor, OSMRE – Tulsa Field Office

RAILROAD COMMISSION OF TEXAS
SURFACE MINING AND RECLAMATION DIVISION



Notice of Violation No.
114A

NOTICE OF VIOLATION

Company: San Miguel Electrical Cooperative, Inc.

Mine Name San Miguel Mine

Permit No. 11G

Mailing Address: P.O. Box 280

City Jourdanton

Zip 78026

County Atascosa and McMullen

Telephone Number: (830) 784-3411

Notice Issued By: Jacob Eickstead,

Date of Inspection: March 17-18, 2015

Description of Violation(s): Failure to maintain appropriate sediment control measures. Sediment overflowed the sump along the haulroad because SMECI failed to properly maintain the sump. Therefore sediment was deposited off the permit in an area encompassing approximately 1.6 acres.

Provisions of Regulations, Act or Permit Violated: Title 16, Texas Administrative Code §12.343 of the Texas Coal Mining Regulations and section .154 of the approved permit.

Area of Operation Affected: Permit No. 11G, west of Drop Structure BN-2 west of the main haulroad and south of the La Parrita Creek bridge crossing.

Remedial Action Required: Remove sediment from the affected area and revegetate the area.

Time for Abatement: 30 days from the date of issuance (4/10/2015) to: a). remove sediment from affected area, and (b) revegetate the area with approved grass species.

Inspector Signature

Date

4/13/15

This Notice of Violation directs the party cited to immediately initiate corrective measures, and constitutes a separate Notice of Violation for each violation listed.

I hereby acknowledge receipt of this Violation. (Receipt does not constitute an admission of guilt)

(Signature)

Date

(Position)

COPY



RAILROAD COMMISSION OF TEXAS SURFACE MINING AND RECLAMATION DIVISION

COAL MINE INSPECTION REPORT

Inspectable Unit Name: San Miguel Area A&E Permit Number: 11G
 Permittee: San Miguel Electrical Cooperative Inc (SMECI) County: Atascosa and McMullen
 Industry Representative(s) Present: N/A
 Inspector: Jacob Eickstead Date of Inspection: March 17-18, 2015

Inspection Type: Complete ☐ Partial ☒ Special ☐

I. Field Conditions and Data Collection

Samples Collected: No ☒ Yes ☐ Sample Type: Water ☐ Soil ☐ Vegetation ☐

Average Temperature: 81° Soil Condition: ☐ Dry ☒ Moderate ☒ Wet Wind Direction/
 3/18/15 Velocity (Est.) 7 mph SE

Last Rainfall: 0.78 inches Rainfall Since Last Inspection: 3.58 Year-To-Date Rainfall: 6.72
 Date Inches Inches

Photographs Attached: No ☐ Yes ☒ (Complete Section IV)

II. Enforcement Action Taken

Notice of Violation Issued: No ☐ Yes ☒ NOV No. 114A
 Cessation Order Issued: No ☒ Yes ☐ CO No. _____
 Off-Site Impact: No ☐ Yes ☒ (Attach Off-Site Impact Report form)


 Inspector Signature

04/13/2015

Date


 Reviewing Supervisor Signature

4-13-15
Date

Inspectable Unit Name: San Miguel Area A&E

Permit Number: 11G

Inspection Date: March 17-18, 2015

III. Performance Standard Categories

Codes: 1=Compliance; 2=Noncompliance; 3=Not applicable; 4=Comments (comments should be qualified by specific areas, observations, or discussions)

A. SIGNS AND MARKERS (§12.330)

- 1 Mine and Permit Markers
- 1 Perimeter Markers
- 1 Buffer Zone Markers
- 3 Blasting Signs
- 1 Topsoil/Suitable Material Stockpile Markers

B. CASING AND SEALING OF DRILL HOLES (§§12.331-12.333)

1

C. TOPSOIL REQUIREMENTS (§§12.334-12.338)

- 1 Topsoil Removal
- 1 Topsoil Storage
- 1 Substitute Materials
- 1 Redistribution

D. HYDROLOGIC BALANCE (§§12.339-12.355 & §12.389)

- 4 Drainage Control
- 1 Water Quality Standards/Effluent Limitations
- 1 Stream Channel Diversions
- 4 Sediment Control Measures (§§12.343 & 12.389)
- 1 Sediment Ponds
- 1 Pond Certification/Quarterly Inspections
- 1 Discharge Structures
- 1 Permanent/Temporary Impoundments
- 1 Surface/Ground Water Monitoring
- 1 Postmining Rehabilitation of Ponds/Diversions
- 1 Stream Buffer Zones

E. COAL RECOVERY (§12.356)

1

F. USE OF EXPLOSIVES (§§12.357-12.362)

- 3 Pre-Blast Survey/Schedule
- 3 Control of Adverse Effects
- 3 Blaster Certification
- 3 Distance Requirements
- 3 Warnings/Records

G. COAL PROCESSING WASTE (§§12.368-12.378)

1

H. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES (§12.380)

1

I. PIPELINE PROTECTION (§12.382)

1

J. CONTEMPORANEOUS RECLAMATION (§§12.383-12.388 & §12.397)

- 1 Backfilling and Grading Requirements
- 1 Approximate Original Contour
- 1 Handling of Acid and Toxic Materials
- 1 Temporary Cessation of Operations

K. REVEGETATION (§§12.390-12.395)

- 1 Approved Postmining Land Use
- 1 Use of Introduced Species
- 1 Mulching/Other Soil Stabilizing Practices
- 1 Normal Husbandry Practices (ERA)

L. ROAD REQUIREMENTS (§§12.400-12.401)

- 1 Design Criteria and Certification
- 1 Location
- 1 Maintenance and Drainage Control
- 1 Reclamation

M. UTILITY INSTALLATIONS AND SUPPORT FACILITIES (§12.402 & §12.403)

1

N. AREAS WHERE MINING IS PROHIBITED OR LIMITED (§12.71 & §12.220)

1

O. BOND & INSURANCE (§§12.300-12.311)

1

Inspectable Unit Name: San Miguel Area A&E

Permit Number: 11G

Inspection Date: March 17-18, 2015

IV. Comments – Compliance Narrative

(For Complete Inspections, this section should include a review of the most current effluent monitoring reports, MSHA records, pond discharges/inspections, blasting records, bonding, permit revisions and/or plans maintained on site)

In this section:

- Document the area of the permit inspected (pit designations or mine blocks)
- Document the mine equipment in use during the inspection
- Discuss observations made during the inspection (such as current activities, pond discharges, construction or drilling activities, etc.)
- Document the results of any field tests taken
- Document all approved rough backfilling/grading variances, including expiration dates
- Document any temporary cessations-of-operations
- Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions
- Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action
- Document a detailed description of any off-site impact observed during the inspection

Most portions of Area A and Area E of the San Miguel Mine, Permit No. 11G were observed during this Partial Inspection. No SMECI representatives accompanied me during this inspection. Soil moisture conditions were moderate on March 17, 2015 and wet on March 18, 2015, limiting access to some areas observed. At the close of inspection the year to date total rainfall for the permitted area was 6.72 inches.

Vegetation has emerged from dormancy and is greening up on all areas of the mine (photo 1 and 2).

Ash was being placed in the A area ash pit on March 17, 2015 but crews were not hauling ash due to wet conditions on March 18, 2015 (photo 3). The E area ash pit was inaccessible and I was only able to observe the pit from a distance.

By letter dated March 10, 2015, SMECI submitted a self-reporting letter regarding sediment leaving the permit boundary west of Drop Structure No. BN-2. Included in the letter is a description of the sediment extent and estimated volume, a letter dated January 7, 2015 detailing permission from the landowner, Alonzo Peeler, Jr., for SMECI to access to the property in order to remove the sediment, and a map of the affected area. The area where the sediment was deposited is located 2400 feet south of the one lane bridge over La Parrita Creek, west of the main haulroad (photo 4). From my observations, and from explanations from Nellie Frisbee and Mark Weatherston, the sump used to collect the sediment was full and was no longer functioning, causing additional sediment to overflow the sump and deposit off permit. The total area of disturbance was 1.6 acres with depth of sediment being approximately 3 feet near the haul road on the eastern portion of the disturbance and fanning out gradually toward the western portion (photo 5, 6 and 7).

Vegetation was removed from the disturbed area and staged on the east side of the area for removal (photo 8). A dozer was leveling the soil to provide better access for the equipment to operate and to further prepare the site for revegetation (photo 9). During the first day of inspection an excavator was removing the sediment from the disturbed area and loading it into an end dump truck. The sediment was staged north of the one lane bridge at the junction of the main haul road and western haulroad (photo 10 and 11). During the second day of inspection the area was waterlogged from overnight rainfall (photo 12). From my observations the sediment did not appear to contain any Acid Forming Material (AFM) or Toxic Forming Material (TFM). There was grass and brush species visible in the removed sediment.

Inspectable Unit Name: San Miguel Area A&E

Permit Number: 11G

Inspection Date: March 17-18, 2015

IV. Comments – Cont.

According to §12.344 **Hydrologic Balance: Siltation Structures** of the Coal Mining Regulation of Texas, (b) (1) additional contributions of suspended solids sediment to streamflow or runoff outside the permit area shall be prevented to the extent possible using the best technology currently available and (2) all surface drainage from the disturbed area shall be passed through a siltation structure before leaving the permit. After review of Permit No. 11G, and from my observations in the field, I found SMECI to be in violation of Title 16 of the Texas Administrative Code, Section 12.344 (b) (1) and (2) and section .154 of the approved permit.

All ponds appear to be functioning as designed. No ponds were discharging at the time of inspection.

An alligator was observed in Pond G and an Upland Sandpiper was observed in the A area salt seep (photo 13 and 14).

A closeout meeting was held following the inspection with SMECI representatives Nellie Frisbee and Mark Weatherston. All items mentioned in this inspection report were discussed during the closeout meeting. Notice of Violation No. 114A will be issued as a result of observations made during this inspection for sediment being deposited outside of the permit boundary.

Inspectable Unit Name: San Miguel Area A&E
Permit Number: 11G
Inspection Date: March 17-18, 2015

V. Photographs



Photo 1. Typical vegetation in the A area (view south).



Photo 2. Typical vegetation in the E area (view northeast).

Inspectable Unit Name: San Miguel Area A&E
Permit Number: 11G
Inspection Date: March 17-18, 2015

V. Photographs



Photo 3. A Area Ash Pit (view northeast).



Photo 4. Area of disturbance from sediment located west of the main haul road (view northwest).

Inspectable Unit Name: San Miguel Area A&E
Permit Number: 11G
Inspection Date: March 17-18, 2015

V. Photographs



Photo 5. Excavator removing sediment from the disturbed area (view east).



Photo 6. Equipment removing sediment in the disturbed area west of the haul road (view north).

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Photo 7. Sediment being removed from disturbed area (view south).



Photo 8. Vegetation removed by dozer and staged on the western side of the disturbance for removal (view southwest).

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Photo 9. Dozer being utilized to level the topsoil (view south).



Photo 10. Sediment from the disturbed area being staged at the junction of the haulroads north of the one lane bridge (view south).

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Photo 11. Sediment staged on the junction of the haulroad (view east).



Photo 12. Disturbed area with waterlogged conditions of March 18, 2015 (view west).

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Photo 13. Alligator in Pond G (view west).



Photo 14. Upland Sandpiper (view south).